

Monday 5 September 2016

PROPOSED PRO-RATA ISSUE

Summary

Hillgrove Resources Limited (ABN 73 004 297 116) (ASX:HGO) (“Hillgrove” or the “Company”) today announces that the Company has signed a term sheet with one of the Company’s major shareholders to fully underwrite a pro-rata subordinated convertible note issue in order to raise approximately A\$5 million (“Convertible Raising”), subject to due diligence and the signing of the Underwriting Agreement. The Convertible Raising builds on the recent announcements regarding the balance sheet restructure and is one of a number of strategic initiatives that have been identified to address the anticipated cash flow shortfall first reported to the ASX on 31 March 2016.

Further details, along with the detailed timetable, will be announced once the underwriting agreement has been formalised.

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